

FISCAL NOTE

SB 3858 – HB 3972

February 18, 2008

SUMMARY OF BILL: Authorizes additional allocations of property tax revenue, and under certain circumstances additional sales tax revenue (above base sales tax revenue), to industrial development corporations (IDCs) within certain municipalities for the purpose of paying debt service on bonds or other obligations of the IDC incurred as a result of financing infrastructure improvements or other economic development.

ESTIMATED FISCAL IMPACT:

Foregone Local Revenue – Exceeds \$100,000/Permissive

Assumptions:

- New local option sales tax revenue raised from the economic development area will not be allocated to the general fund of the municipality, but will be returned to the IDC and allocated for additional economic development. The number of municipalities that will authorize IDCs to retain new sales tax revenue cannot be reasonably determined. Foregone local revenue is estimated to exceed \$100,000. State sales tax revenue is not affected.
- While new businesses may develop new jobs and require additional infrastructure that will increase local government revenue and expenditures, this impact is indirect and cannot be reasonably determined for the purposes of this legislation.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director

/kmc